

ALCEE L. HASTINGS
23RD CONGRESSIONAL DISTRICT
FLORIDA

PLEASE RESPOND TO:

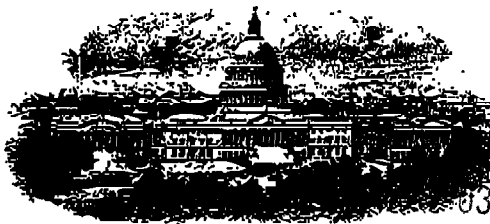
RULES COMMITTEE

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

FLORIDA DELEGATION
VICE CHAIRMAN

UNITED STATES
HELSINKI COMMISSION

SENIOR DEMOCRATIC WHIP



RECEIVED

03 OCT -3 PM 12:39

2235 RAYBURN BUILDING
WASHINGTON, DC 20515-0923
TELEPHONE: (202) 225-1313
Fax: (202) 226-1171

2701 W. OAKLAND PARK BOULEVARD
SUITE 200
FT. LAUDERDALE, FL 33311
TELEPHONE: (954) 733-2800
FAX: (954) 735-9444

5725 CORPORATE WAY
SUITE 208
WEST PALM BEACH, FL 33407
TELEPHONE: (561) 884-0585
FAX: (561) 684-3613

www.house.gov/alceehastings

Congress of the United States
House of Representatives
Washington, DC 20515-0923

September 29, 2003

Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

RE: Petition P3-03

Dear Secretary VanBrakle:

It has been brought to my attention that the United Parcel Service (UPS) has filed for an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) from entering into confidential contracts with their customers. I write in support of the UPS petition currently pending before the Federal Maritime Commission (FMC).

During consideration of the *Ocean Shipping Reform Act (OSRA)* revisions of 1998, Congress carefully considered all aspects of the ocean shipping industry including the role of NVOCCs. Based on the nature of ocean shipping at the time, Congress determined that NVOCCs should be regulated differently than vessel operators. In the late 1990s, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.


However, the state of the U.S. ocean shipping industry has changed dramatically since passage of OSRA. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs.

UPS operates the most sophisticated, integrated, intermodal transportation network in the world, which includes air, rail and surface and NVOCC transportation, and is deemed a "carrier" in the surface and air freight industries. Furthermore, UPS makes significant annual capital investments to its' asset-based transportation infrastructure. These facts alone set UPS apart from the companies that first raised concerns about the regulatory status of NVOCCs.

The UPS petition, citing the recent evolution of the ocean shipping marketplace, is precisely the reason Congress granted such broad exemption authority to the FMC. While anticipating dramatic changes in the ocean shipping industry with the passage of OSRA, Congress did not contemplate how fast or how smoothly the market could adapt to these changes. By granting this petition, the FMC will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

I am hopeful the FMC will give the UPS petition its' utmost consideration and render an equitable decision based upon the merits of the UPS case. If you have any questions or would like to discuss this any further, please do not hesitate to contact me.

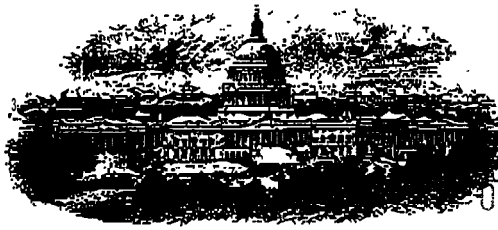
Sincerely,

A handwritten signature in black ink, reading "Alcee L. Hastings". The signature is fluid and cursive, with the first name "Alcee" and last name "Hastings" clearly legible.

Alcee L. Hastings
Member of Congress

ALCEE L. HASTINGS
23RD CONGRESSIONAL DISTRICT
FLORIDA

RULES COMMITTEE

PERMANENT SELECT COMMITTEE
ON INTELLIGENCEFLORIDA DELEGATION
VICE CHAIRMANUNITED STATES
HELSINKI COMMISSION

PLEASE RESPOND TO:

2235 RAYBURN BUILDING
WASHINGTON, DC 20616-0923
TELEPHONE: 12021 225-1313

2701 W. OAKLAND PARK BOULEVARD

SUITE 200

FT. LAUDERDALE, FL 33311

TELEPHONE: (954) 733-2800

FAX: (954) 735-9444

5725 CORPORATE WAY

SUITE 208

WEST PALM BEACH, FL 33407

TELEPHONE: (561) 684-0685

FAX: (561) 684-3613

www.house.gov/alceehastings

Congress of the United States
House of Representatives
Washington, DC 20515-0923

FAX COVER SHEET

TO: Sec. VanBrakleFAX #: 2/523-0014

FROM: Congressman Hastings
~~David Goldenberg~~
Office of Congressman Alcee L. Hastings
Phone Number: 202-225-1313

SUBJECT: UPS NVOCCs PetitionDATE: 10/3/03 PAGES INCLUDING COVER: 3